



CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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27 MAY 1966

~~TOP SECRET~~

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DAILY BRIEF
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1. South Vietnam

Very early reports from the meeting between Ky and Thi at Chu Lai say that it went well. Ky is said to have agreed to give Thi and also General Dinh unspecified "jobs in the army." Later, Thi met with Generals Cao and Dinh. Details are still unknown.

In Hué, the situation has been quiet since the consulate was evacuated earlier in the day. The twelve remaining US officials there have been moved to our army compound nearby.

Buddhist monks trying to organize demonstrations against the government were active in Saigon again today. The embassy reports that there were four such efforts in different parts of the city; all were unsuccessful. During the evening, progovernment marines with tear gas grenades were called in to disperse anti-American marchers.

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3. North Vietnam

[redacted]
[redacted] a definite stiffening of security and morale was noticeable following the bombing of the missile site in the Hanoi suburbs in late April. [redacted] children and wives are again being sent to the country and that camouflage activities are being intensified.

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[redacted] elec-
tric power in Hanoi has periodically been reduced by as much as two thirds during the past month because of damage to nearby plants. Trolley buses are running only part time and much of the northeastern part of the city is without light.

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[redacted]
[redacted] Ho Chi Minh looks spry, but he recently switched from Lucky Strikes to filtered Salems for reasons of health.

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4. Communist China

[redacted]

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5. Communist China

Two key figures have apparently been toppled as the power struggle among Chinese leaders continues. Peng Chen was ousted as mayor of Peking about a week ago and Lo Jui-ching was removed as army chief of staff some two months ago, [REDACTED]

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This information is consistent with other bits and pieces we have been receiving on the murky political maneuvering under way in China. Peng, once a member of Mao's inner circle, has been one of the party's top officials. Lo Jui-ching is one of a group of key security and propaganda officials who have been out of sight for several months.

There are signs that the power struggle is not over yet. A Canton broadcast of last week suggests that a powerful party boss in Central-South China may be trying to construct a new alignment to protect his own position.

6. Malaysia

The British have begun to draw up plans for gradually moving their troops in Borneo back from the borders with Indonesia. They are anxious to appear forthcoming in response to Indonesian "deconfrontation" moves. Foreign Minister Malik and the Malaysian deputy prime minister are set to meet in Bangkok on Monday to begin their talks.

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7. France

The French people are being well informed on what a US troop withdrawal will cost them. The leading financial daily in Paris published a double-page report on it this week.

Among other things, it points out that the US military expenditures represent about a fourth of the annual French balance-of-payments excess. It also reports that most of these expenditures are in underdeveloped areas of France where their cutting off will have an important impact.

8. Uruguay

The legal tactics being pursued by the local Communist party are beginning to pay dividends as the party benefits from growing popular disgust over the country's continuing political and economic decline.

Last week the Communists engineered a successful labor congress which called for the organization of a unified national labor confederation. If this comes off, they would surely dominate it and as a result strengthen their political power base.

This week the party succeeded in obtaining a sufficient number of signatures to assure a place on the November ballot for its constitutional reform proposal for reorganizing the national government.

The danger is that continued failure of the two traditional parties to agree on a bipartisan approach to reform may bring a Communist-controlled popular front an important windfall vote in the national elections next November.

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9. Ecuador

In the three days ex-President Velasco has been back in Ecuador it has become clear that he still enjoys an amazing degree of popularity, especially among the underprivileged masses.

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Velasco is [redacted] pressing hard for a direct election. The traditional politicians, on the other hand, are insisting on the election of a Constituent Assembly which would then presumably designate a president.

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The national convention of Velasco's well-oiled political movement is set to open in Guayaquil tomorrow. From this we may get an idea of the degree of Communist participation he will accept this time.

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10. Dominican Republic

The weather this week may hurt Balaguer's chances on election day. One of the steadiest downpours of the past year is making it difficult for the rural people to obtain the documents they will need if they are to cast their ballots next Wednesday. Balaguer is counting heavily on the rural vote.

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